THE EGYPTIAN SITUATION

I. Internal Situation

1.

- A. Egyptian internal situation continues confused.
 - 2. Restoration all Magib's former offices on 8 March

Magib - Masr apparently still in conflict behind scenes.

25X1

- represented victory over Masr-dominated RCC.
- 3. Nagib's future role and authority undefined. 25
- 5. Continued maneuvering within RCC expected, but members, except Ehalid Muhi al-Din, apparently loyal to Hasr.
- B. Popular demand for return to parliamentary government poses problems for military regime.
 - Difficult to control elections in June for constitutent assembly without effective political organization.
 - 2. RCC plans to retain authority after election of constitutent assembly.
 - 3. Faces problem of how to control opposition with Approved For Release 2002/06/11: CIA-RDP79R00890A000200050033.4 relaxation of censorship.

25X1

Approved For Release **200200471 CM APPY** 9R00890A000200050033-4

- 4. Extremist Moslem Brotherhood and opposition politicians already taking advantage announcement
 forthcoming elections.
- 5. Any unrestricted political activity will bring direct challenge to RCC's position and authority.
- C. Deteriorating security situation in Suez Canal zone
 reflected in increased attacks on British military personnel
 in zone, presenting regime with another difficult situation
 at this critical time.
 - Britain in formal protest attacks has stated no negotiation on withdrawal of its troops possible until order restored. This can be complied with by regime.

25X6

TOP SECRET Approved For Release Approved For Releas

- 4. Confused power position inside Egyptian government itself complicates any Suez negotiations.
- B. Despite problems there is genuine Egyptian desire for early settlement. Would represent important political victory.

 Prospects good if:
 - 1. Immediately negotiated. Before campaign for June elections begin with intemperate utterances.
 - 2. Complete evacuation publicized and sold to people.
 - 3. Nagib and Masr will work together. This is possibly the crucial point.
 - C. Regime-controlled Mational Liberation Rally and commercial elements will probably support settlement.
 - D. Nationalist Wafd, Moslem Brotherhood and Communists may oppose settlement. However Wafd and Brotherhood may find it difficult not to accept a settlement which is publicized as "complete evacuation."